



1. Clause Related to Employee Protection

- 1.1 The Contracting Party agrees to comply with the applicable mandatory legal provisions, as amended, for the protection of employees during the execution of the order. In particular, the Contracting Party shall pay on time its employees working in Germany the minimum remuneration mandatorily prescribed by the German Sub-contracted Foreign Workers Act (AentG) and the German Minimum Wage Act (MiLoG) or, to the extent that collective wage agreements have been made generally applicable in the Contracting Party's industry or by way of ordinance, the remuneration resulting from such collective wage agreements.
- 1.2 As proof for the fulfillment of this liability, the Contractor, upon the request by ZF, provides evidence documenting compliance with the applicable legal provisions or the provisions under collective agreements. Evidence shall be made by presenting a corresponding certification by an external auditor or tax advisor. If the Contractor is in default as regards the compliance with the burden of proof, ZF has the right to retain any due payments until the burden of proof has been complied with. If the burden of proof is not complied with by the Contractor in good time, ZF has the right to grant the Contractor an appropriate term to comply with the burden of proof. ZF is entitled to terminate the contract without previous notice after such term's unsuccessful expiry. The Contracting Party also ensures that ZF is able to verify compliance with the obligations described in this clause at any time.
- 1.3 If the Contracting Party violates its obligation to pay its employees working in Germany the minimum remuneration mandatorily prescribed by the German Minimum Wage Act or, to the extent that collective wage agreements have been made generally applicable in the Contracting Party's industry or made applicable by way of ordinance, the remuneration resulting from such collective wage agreements, ZF is entitled to terminate this contract without previous notice. In this case, ZF is also entitled to retain any payments due to the Contracting Party.
- 1.4 In fulfilling the obligations under this contract, the Contracting Party shall use only such employees for whom it has any required work permits.
- 1.5 To the extent that the Contracting Party appoints subcontractors in accordance with the provisions of this contract, the Contracting Party shall agree with ZF that only such subcontractors shall be appointed for fulfilling the obligations under this contract which have agreed to comply with the obligations set out in this superordinated section. It ensures that ZF may at any time verify compliance with these duties at the subcontractors appointed by it.
- 1.6 The Contracting Party shall indemnify ZF against its liability to pay the minimum remuneration or any remuneration to be paid based on collective agreements to employees of the Contracting Party as well as to employees of the subcontractors appointed by the Contracting Party.
- 1.7 ZF's right to claim compensation for further damages shall remain unaffected by this contract.